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### **Farm Products and Commodity Handler Program Fees Reduced**

The Colorado Department of Agriculture has good news for our Farm Products and Commodity Handler industry partners. While costs of doing business continue to increase, your licensing fees have been lowered. During its last session, the Colorado Legislature restored 25% general funding to the Farm Products and Commodity Handler Programs. This translates to fee reductions and significant savings for our licensees.

The 2008 Farm Products and Commodity Handler Program fees and due dates are as follows:

- **The Farm Products License fee is \$250.00.** This fee was previously \$300.00. Renewal applications are due March 1, 2008.
- **The Small Volume Dealer license fee is \$25.00.** This fee was previously \$35.00. Renewal applications are due March 1, 2008.
- **The Commodity Handler license fee is \$100.00.** This fee was previously \$200.00. Renewal applications are due March 1, 2008

Traditionally, the farming community has done business on a handshake basis which leaves the agricultural producer in a vulnerable position in their financial transactions. The Farm Products Program protects and assists the economic well-being of the agricultural community by assuring a stable distribution system for agricultural products. To accomplish this, the program requires those that purchase grain and/or farm products for processing or resale to license as a dealer or commodity handler. Dealers, except those that pay with cash or meet the small volume dealer criteria, are required to post a surety bond for the protection of Colorado producers.

In addition to the license and bond requirements, program personnel also perform the following functions to protect agricultural producers:

#### *Commodity Handler Examinations*

Grain warehouses store grain that belongs to others, merchandise grain, and provide a variety of other services to the agricultural community. Grain warehouses have control and custody of millions of dollars of grain that doesn't belong to them. Due to geography and transportation costs, producers have limited options for who can store and merchandise their grain. This places the grain warehouse in an important position of trust within the rural communities that they serve. Because of this, a grain warehouse examination is more comprehensive than the examinations conducted in other segments of the industry. Inventories are measured and

compared to storage obligations in terms of both quality and quantity. Contracts, settlement sheets, grain payables, receivables, scale tickets, internal controls, risk positions and uses of lines of credit are analyzed. In addition, financial statements are examined for net worth and liquidity.

#### Farm Products Examinations

Farm products are essentially any products produced on the farm other than commodities and poultry. Farm products include fruits, vegetables, hay and livestock. Examinations are conducted at produce sheds, livestock auctions and other places of business that dealers may operate. Because of the variety of products and the methods by which they are marketed, examinations are not conducted in a like manner, but are tailored to each dealer's operation. However, the focus of all examinations is to determine the ability of the dealer to pay Colorado producers for their farm products.

#### Investigations

If a dispute between a producer and dealer arises, and if it is within the scope of the Farm Products or Commodity Handler Acts, the producer may file a complaint with the Department. The complaint is investigated and, if found to be valid, an attempt is made to resolve the complaint. Mediations and stipulated agreements are tools that may be used to settle a complaint. If a resolution cannot be reached, administrative hearings, license revocations, actions against surety bonds and criminal complaints may be used as remedies.

For additional information, please go to: [Farm Products Programs](#), or contact the Colorado Department of Agriculture Farm Products and Commodity Handler Program at (303) 477-0054.